

DIVISION CARDHOLDERS POLICY and GUIDELINES



**Version 2
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PROCUREMENT CARD POLICY and GUIDELINES

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Division Cardholders are responsible to ensure that periodic updates to the Division Cardholders Policy and Guidelines are reviewed when received from the Fabrication and One-Time Purchases Manager.

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REFERENCE SECTION

<u>Procurement Standard Practices 13.4 – Purchase Card Program</u>
<u>Procurement Standard Practices 31.3 – Unallowable Costs</u>
<u>Procurement Standard Practices 1.3 – Ratification of Unauthorized Commitments</u>
<u>Procurement Standard Practices 25.1 – Buy American Act and Balance of Payment Program</u>
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INTRODUCTION:

- A. This Division Cardholders Policy and Guidelines describes the authority, limits, and responsibilities of the Division Cardholders when acquiring goods or services under the Division Cardholders Program. These policies and guidelines were developed to advise Division Cardholders of their various obligations and to protect the integrity of the Procurement Card. Violation of these policies and guidelines will result in a commensurate level of corrective action up to and including revocation of privileges.
- B. The Division Cardholder Program was established to improve the efficiency of the University of California's Lawrence Berkeley National Laboratory (LBNL's) low value acquisition process, while reducing procurement transaction costs without impacting Laboratory operations.
- C. The Division Cardholders policy and guidelines is designed to be a living document.
 - 1. As the policies and guidelines change, Division Cardholders will be notified of the changes as they occur.
 - 2. Division Cardholders are responsible for ensuring their actions comply with all current policies.
- D. For further guidance regarding proper procurement methods, refer to the Procurement Web site, Helpful Links, U.C. Procurement Standard Practices Manual and the Restricted Items list for necessary reviews and/or approvals required for certain purchases.
- E. Direct any questions or comments to the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

BENEFITS:

Using the Procurement Card benefits the Laboratory by:

- Streamlining the acquisition process of low-value, standard off-the-shelf material and services
- Reducing paperwork and the overall processing costs associated with the acquisition of low-value goods and designated off-site services
- Providing prompt payment to the merchant

OVERVIEW:

The Lawrence Berkeley National Laboratory (Berkeley Lab) has joined an original agreement between The Regents of the University of California and US Bank, that allows authorized Division Cardholders to make purchases for selected materials using a Procurement Card (PCard) as opposed to the normal buying process in accordance with University of California – Procurement Standard Practices Section 13 – Small and Simplified Purchase Procedures – Subject: 13.4 Purchase Card Program. In turn, US Bank utilizes the Visa network services for electronic processing of transactions and value added reporting capability.

GUIDELINES FOR PROCUREMENT CARD USE

This Division Cardholders Policy and Guidelines establishes Standards and Procedures by which Division Cardholders must manage their procurement activity. If the Division Cardholder has questions regarding whether the procurement card is the appropriate method of acquisition, the Division Cardholder must contact the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

DIVISION CARDHOLDERS POLICY AND GUIDELINES FOR PROCUREMENT CARD PURCHASES

SECURITY/PROTECTION/ACTIVATION

The PCard is valuable property, which requires proper treatment by the Division Cardholder to protect it from misuse by unauthorized parties. Upon receipt of the card, activate it by calling the 800 number on the back of the card and sign the back of the card. Do not leave reports or papers bearing your account number out for others to see. Shut off computer after working hours or when not in use. Instruct merchants not to put your Visa account number and expiration date on the packing slips. For security purposes scratch off the Visa account number if it appears on any paperwork you retain.

MAKING A PROCUREMENT CARD PURCHASE

Certain basic procurement procedures apply in accordance with University of California – Procurement Standard Practices Section 13 – Small and Simplified Purchase Procedures – Subject: 13.4 Purchase Card Program.

You must review this Division Cardholders Policy and Guidelines and Procurement Standard Practices 13.4 before using your Procurement Card. If you have questions concerning the program contact the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

Any item that appears to be non-essential for Laboratory business necessity must be questioned as to the business need. Send an eMail to the requester and ask what the business necessity is. Division Cardholder must note in the paperwork the use of the item and file all eMail(s) pertaining to the request in the file. If you have questions you must contact the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

ENVIRONMENTALLY PREFERABLE PRODUCTS AND SERVICES

Environmental health and safety, hazardous waste minimization and management, air and water quality, and general environmental issues are central to LBNL's numerous activities and requirements. Accordingly, Division Cardholder's shall, to the extent possible, procure environmentally preferable products or services; i.e., those that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose.

CONTROLS

The Berkeley Lab/US Bank Visa Procurement Program uses internal management controls as well as features and reports from Visa's system to manage and audit the process to ensure that procedures are followed. Some of the established features and controls allow the Laboratory to:

- Set a Transaction Dollar Limit - (Current maximum amount is \$350)
- Set a Monthly Spending Limit – (Typical maximum amount is \$15,000)
- Set-up Merchant Category Codes (MCC) to define what type of merchants the procurement card can or cannot be used for. (For example: Prohibit the purchase of certain unauthorized classes of supplies such as hotels, airlines, etc.)
- Set-up a Monthly Cycle to track cardholders spending. Our monthly cycle begins on the 18th of each month. At that time the spending limit on each cardholder account is set at zero. During the monthly cycle the dollars charged against the card are tracked. If a cardholder has a monthly spending limit of \$15,000 and they exceed the limit before the 17th of the month, further charges against the card will be declined by the bank until the beginning of the new cycle. If a Division Cardholder anticipates a high monthly spending limit they can have their monthly spending limit raised by sending a request to their Business Manager, thus the Business Manager will notify the Procurement Card Coordinator.

LEAVE OF ABSENCE

If a Division Cardholder goes on extended leave of absence the Division Business Manager must notify the Procurement Card Coordinator. Procurement Card Coordinator will put a temporary hold on Division Cardholder card and reduce cardholder limit to zero until Division Cardholder has returned. Procurement Card Coordinator will monitor all transactions that have hit a Division Cardholder's card when they are on leave of absence to ensure there is no fraud.

WHAT YOU MAY PURCHASE

You may purchase common goods and services up to \$350.00 including shipping and handling per PCard request. Division Cardholders are to observe the limits placed on their cards. **Refer to the section "Procurement Card Restrictions," listed below, for items that cannot be purchased.**

PROCUREMENT CARD RESTRICTIONS

PURCHASING ITEMS FOR PERSONAL USE IS STRICTLY PROHIBITED! Your card is not to be used or offered in non-Lab related, personal transactions, where identity identification is requested in order to transact personal business or establish personal, non-Lab related accounts with merchants.

Division Cardholder's are authorized to execute requests only for the purchase of goods or services that are allowable, reasonable and have a direct benefit to Berkeley Lab.

LENDING OR SHARING OF YOUR PROCUREMENT CARD IS PROHIBITED AND WILL RESULT IN THE IMMEDIATE SUSPENSION OR CANCELLATION OF YOUR PROCUREMENT CARD. Re-delegating your procurement card authority by allowing others to use your Procurement Card (Visa) account number, or in any way permit usage of your authority to purchase commodities or services will be considered an unauthorized procurement.

DO NOT purchase items listed on the RESTRICTED ITEMS LIST/RESTRICTED CHEMICALS (refer to "PCard Restricted Items & Restricted Chemicals - Do Not Buy" located on the Procurement web-site). **Before beginning procurement card buying, Division Cardholders are responsible for looking over the Restricted/Sensitive Items Lists and become familiar with the materials that are restricted from procurement card purchases.** For questions regarding the restricted items list, contact the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

DO NOT purchase Sensitive Property with the Procurement Card. - Refer to the section "Property Marking and Tagging" - Procurement Instruction for the Laboratory's definition of Sensitive Property. For convenience Sensitive property items are listed on the "Procurement Card Restricted Items" List.

DO NOT "Split" requests to circumvent your transaction limit.

Splitting Procurement Card Request Restrictions:

1. Requesters and Division Cardholders are prohibited from splitting single requirements to circumvent required approvals or dollar thresholds that would restrict a purchase due to the delegated signature authority limit or the proper procurement method.
2. Division Cardholders and requesters shall select the procurement method based on the information that is known at the time the requirement is identified. The procurement method selected shall be the one that best accommodates the dollar level, item specifications and delivery requirements.
3. The following list includes, but is not limited to, examples that may indicate that a procurement request has been split:
 - Issuing two (2) or more requests because the total cost for the quantity of required goods exceeds the request's dollar threshold and/or Division Cardholder's delegated authority
 - Issuing two (2) or more requests because the total cost of the goods including shipping and handling costs, exceeding the request's dollar threshold and/or Division Cardholder's delegated authority
 - Issuing two (2) or more requests for stand-alone equipment to avoid exceeding an request's dollar threshold and/or Division Cardholder delegated authority
 - Issuing two (2) or more requests to expedite the procurement process.

Example: A Division Cardholder receives a request to purchase a piece of equipment valued at \$300.00. The equipment cannot be used, and is not fully functional, without the purchase of additional parts (not optional parts). The parts are valued at \$100.00 and are purchased on a separate request to avoid exceeding the maximum threshold for a single item which is less than \$350.00. (When the main component and the additional, necessary parts are assembled, the unit is complete.) Purchasing the complete unit in this way is splitting the request.

4. A review will be conducted by the Fabrication and One-Time Purchase Manager, Procurement Card Coordinator, Self-Assessment Team or Audit Reviewers to access and determine if a request has been split. The review may include soliciting information from various internal and external sources. Final determination will be based on evaluation of the information obtained.
5. Splitting a request may result in retraining or evaluation of Division Cardholder performance or other action(s) deemed appropriate by the Fabrication and One-Time Purchase Manager.
6. The Division Cardholder monitors requests when placing PCard requests to identify PCard request splitting and that it is within their transactions limit.
7. The Procurement Card Coordinator will continually monitor Division Cardholder's PCard transactions daily for possible splits and notify Fabrication and One-Time Purchase Manager of any findings.

DO NOT use the Procurement Card if the material is available on a Systems Subcontract, eBuy, or Blanket Agreement. Exception: If the established merchants are unable to deliver as required.

COMPUTER PURCHASE RESTRICTION

Computers (desktop, laptops, workstations, servers, etc.) are considered Restricted and may not be purchased with a Procurement Card.

SENSITIVE ITEM POLICY

Property Management is required to track and control all items indicated on the [Property web-site](#) regardless of the value. As items must be purchased using a Subcontract Agreement and are received in Central Receiving and the Property Control Number should be assigned and the items entered in the Property Management database.

Division Cardholders are not to separately purchase computer components to circumvent the procurement card (PCard) computer restriction. Please contact the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator if you have questions regarding the PCard computer, laptop and sensitive item purchase restriction.

SOFTWARE

Division Cardholders shall not initiate a PCard request for any software licenses, maintenance or upgrades agreements requiring LBNL signature or acceptance of merchant terms and conditions.

Division Cardholders shall not initiate a PCard request for any software modifications, custom software programs, or incidental services for custom software programs. These requests must be processed by Computing Science Subcontract Group.

Note: "Shrink-wrap" and "Click wrap" software may be purchased using PCard, including any associated upgrades that do not require LBNL signature or acceptance of merchant terms and conditions.

HARDWARE MAINTENANCE

Division Cardholders shall not initiate a PCard request for any hardware maintenance agreements requiring LBNL signature or acceptance of merchant terms and conditions.

OFF-SITE TRAINING

Off-site training is not allowed on the PCard.

UNALLOWABLE COSTS

Division Cardholders shall not initiate PCard requests for goods or services that are unallowable under LBNL's Prime Contract with the Department of Energy (DOE) Contract DE-AC02-05CH11231 in accordance with Procurement Standard Practices 31.3 "Unallowable Costs". Examples of unallowable costs include, but are not limited to the following:

- Advertising and public relations costs (Certain advertising is allowable but special procedures apply and must be processed by HR, Creative Services and/or Public Affairs);
- Entertainments costs;
- Alcoholic beverages;
- Gifts; and
- Personal or luxury items that do not meet the test of business necessity.

If there are any questions about the allowability of a cost, the Division Cardholder shall consult with the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

UNAUTHORIZED PROCUREMENTS

- A. An unauthorized procurement is a request placed by unauthorized personnel. Examples include, but are not limited to the following:
1. Requesting prior to a request being made;
 2. Placing a PCard request exceeding delegated authority;
 3. Splitting an request to circumvent the Division Cardholder limits; and
 4. Processing a payment or request for a purchase initiated by an individual other than a Division Cardholder.

Note: All questions regarding the determination of an unauthorized procurement should be directed to the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

- B. All unauthorized procurements shall be processed in accordance with LBNL Procurement Standard Practice (SP) 1.3, "Ratification of Unauthorized Commitments".

CHOOSING THE APPROPRIATE METHOD OF ACQUISITION

The Laboratory has established a full range of acquisition systems (e.g., eBay, B2B System Contracts, Blanket Agreement, etc.) to enable requesters to acquire materials and services in the most cost effective means possible. The Procurement Card Program is designed to supplement these systems. For information regarding Procurement Business to Business B2B System Contracts, eBay, Blankets and other Procurement Subcontracts call the Procurement Information line at X4571 or visit the Procurement Web Site at <http://procurement.lbl.gov>.

DETERMINING WHERE TO BUY MATERIAL

Many of your requests for purchase will have suggested sources of supply and have historical prices and merchant names. Additional potential sources of supply can be found in the Telephone Yellow Pages, Google search and free trade publications (ex. "The Electronic Source Book" lists manufacturers and merchants of electronic parts and components).

Another popular source of supply is the "Thomas Register" which provides information by commodity or manufacturer. You can access the "Thomas Register" on the Procurement Web site (<http://procurement.lbl.gov>). By selecting "Helpful Links," and then select "Thomas Register." Procurement Staff Employees are also available to suggest sources of supply and are listed on the Procurement Web site (About Us/Contact Us), or by sending an eMail to divisionpcard-help@lbl.gov.

It is the Laboratory's policy to utilize, small disadvantaged, and woman-owned business concerns to the maximum extent practical, consistent with requirements and at prices that are considered reasonable.

EMPLOYEE CONNECTED FIRMS

To avoid conflicts of interests, or the potential appearance of conflicts of interest, PCard requests must not be issued to firms listed on the Employee-Vendor List located on the Procurement Web site (Helpful Links). See LBNL Procurement Standard Practices (SP) 3.4 Personal Conflicts of Interest.

RENTALS

Rental of equipment is restricted from PCard purchase.

SALES TAX – RESALE NON-TAXABLE REQUESTS

Generally, all items purchased with PCard are non-taxable, for resale to the Federal Government under our UC/DOE contract. An exception is rental equipment, which is subject to tax. Remember to tell the merchant not to charge tax, as we hold a **California Resale Certificate (Permit No. SR CH 21-835970)**. If you have additional problems with a merchant contact the Procurement Card Coordinator. If your paperwork shows that the merchant has charged tax when they should not have, tell them they must credit your Visa account. If you can't get the merchant to credit the sales tax contact the Procurement Card Coordinator for guidance. **Under our contract with the University, TAX is considered an unallowable expense and must be recovered at all times.** Examples of tax exempt items are as follows:

- Common material and services;
- Machinery and equipment; etc.

It is the supplier's responsibility to either pay sales tax or show that an exemption applies. A supplier may request LBNL to provide a Resale Certificate sufficient to satisfy their exemption requirement. Generally, LBNL provides the Resale Certificate form which is available in the Reference Section. If a Division Cardholder is requested to sign a supplier's Resale Certificate when picking up material from a supplier (will call), a Division Cardholder may sign the supplier's Resale Certificate only if it does not contain any terms and conditions.

Generally, sales tax is not applicable to shipping and handling or delivery charges.

It is the Division Cardholder's responsibility to initiate the recovery of all erroneously charged sales tax.

REASONABLENESS OF PRICE

For most procurement card purchases, the price will be considered reasonable based on the fact that it is a commercially available item. Competitive quotations are not required. If you are uncomfortable with a quoted price, you may question the request, check another source, or question the merchant regarding the quoted price. Verify prices that seem too high or too low - the merchant could have made an honest error! Remember, if you are unsure of the price, you do not have to place the request with the recommended vendor.

In order to get the best price possible from a merchant, you should inquire about the availability of discounts or special pricing, and try to ensure that the price you pay is fair and reasonable. Refer to the next section for more information regarding discounts. Ask yourself the following questions to help aid you in the determination if a price is fair and reasonable:

- Are you, or someone in your group knowledgeable of the product, material or services and what it should cost?
- Is it supported by a catalog or advertised price?
- Would you be willing to pay the price quoted if the money you were spending was your own?
- Do the circumstances of the transaction (e.g., time, schedule) justify paying a higher price?

- Do you believe that the transaction/purchase is a good deal for the Laboratory and/or the Government?

If you have questions call the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator for assistance.

DISCOUNTS

Merchants may offer a discount from the purchase price because of LBNL association with the University, State or Federal Government. Be aware of the discount and **ask for them**. The most common discounts are Government Services Administration (GSA) and University (UC) discounts. The merchant will know whether or not they provide a GSA or UC discount but you must inform them that LBNL is eligible for such discounts. Ask if the price includes the discount or if you must subtract a certain percentage. Another popular type of discount is the “Educational” or “Academic” discount. Many times the Laboratory can take advantage of this discount, depending on the merchant’s designation. For example, many software houses offer an academic discount that, depending on the software, can almost be half the list price.

If the merchant has traditionally offered a prompt payment discount (e.g., 2% 30 Days), ask if they will roll it into the purchase price.

REBATES

A merchant or manufacturer in the course of a procurement card purchase may offer rebates, typically monetary checks. All rebates obtained as a result of procurement card buying are the property of the Berkeley Lab. Division Cardholders, not requesters or others are responsible for requesting the rebate from the merchant or manufacturer and forwarding it to the Procurement Card Coordinator for processing. Division Cardholders are to follow the instructions listed below:

- The actual dollar amount of the rebate should be noted on the PCard request.
- Request for the merchant/manufacturer to list the payee as “The Regents of the University of California.” If the merchant/manufacturer stipulates that they must list you, the Division Cardholder as the payee, then, in turn, write a check payable to The Regents of the University of California. The Lab cannot accept third party checks. Division Cardholder must request for the merchant to mail the check to your Laboratory address.
- Upon receipt of the rebate check forward it to the attention of the Procurement Card Coordinator (mail-stop 71R0259). Include the Laboratory Project ID (account no.) and PCard order number that is to be credited, also note on your PCard request that you have received the rebate check and have sent it to the Procurement Card Coordinator, and the date you sent it.
- Procurement Card Coordinator will note the rebate information and forward it on to Accounts Payable for processing. Do not send rebate checks directly to Accounts Payable.

If you have questions regarding the above procedures contact Procurement Card Coordinator.

ITEMS PURCHASED FROM A FOREIGN COMPANY

Cardholders may not purchase items directly from a foreign company.

MATERIAL SAFETY DATA SHEETS (MSDS)

Material Safety Data Sheets are to be requested and sent with chemicals and other appropriate substances so that users may follow the necessary precautions. Call EH&S at X5286 if you have questions regarding MSDS's.

PLACING REQUESTS ON THE INTERNET

You can place requests using your PCard over merchant Web sites when the merchant has a secure area for entering credit card information (card number and expiration date). Here is how to identify if a Web page is secure:

When you are on a web page which asks for your PCard request information, look at the security symbol in your browser's status bar (bottom of the browser). To indicate a secure page, Netscape Navigator's has an unbroken Key, Netscape Communicator and Microsoft Internet Explorer have a closed Padlock. Secure pages can also be identified by a Web address which begins with https:// instead of the normal http://. On secure sites the ordering page address changes to "https".

Additional things to consider when ordering on the Web:

Do not place a request if the merchant's ordering page is not secure!

Order only from known, reputable merchants!

Make sure the merchant's ordering page allows you to specify that your Berkeley Lab PCard request is non-taxable, if the request is taxed all paperwork must be sent to the Procurement Card Coordinator to recover.

Print off a copy of your order before you submit it, and print follow-up order acknowledgements that appear on your screen or sent via your eMail address.

Promotional items, prizes from contests, etc. are to be declined for ethical reasons.

FOB POINT AND SHIPPING AND HANDLING CHARGES

If the Laboratory pays for the freight, the transportation and handling charges are to be included in the invoiced amount. You will want to ask what the shipping/handling charges will be, and call out the specifics, especially for risk of loss purposes. In addition, time constraints may dictate a special delivery method. Contact the Procurement Card Coordinator if you have a merchant who wants to charge you a credit card processing fee. If you find this out after the fact, contact the Procurement Card Coordinator, who will work to get the charge recovered.

In Procurement the term “FOB” is used when determining where “title” (legal responsibility for material) passes from merchant to buyer. “FOB” is a shipping term which actually means “Free on Board,” and is always used in conjunction with a named City and State to determine the point at which title for the goods passes to the buyer (in our case, the Lab). **“FOB Destination” (Berkeley Lab)** is the safest method to ensure that any risk of loss or damage is borne by the merchant, and should be requested whenever possible. In this case, the risk is borne by the merchant until the material arrives at our dock.

The other reference that “FOB point” is used in conjunction with is in determination of who pays the freight. Although “FOB Destination” usually implies that the merchant pays for the freight, the shipment may be requested as destination, just for risk of loss or damage purposes, with you indicating that the merchant may still bill the Laboratory for the freight (FOB Destination - Freight Prepaid and Added). This is not at all uncommon. If you have questions call the Fabrication and One-Time Purchase Manager or DPU Team Leader.

For local shipments, the preference is UPS prepaid. For air shipments, make sure the air freight charges are part of the merchant’s invoice price and will not be invoiced separately by the air freight forwarder.

The following items are meant to help you keep in mind some of the questions to ask yourself and the merchant in regards to “title” and shipping considerations:

- Who pays the freight?
- What is the least-cost transportation method? (keep in mind the weight of the material)
- Who owns the material at what point, and who is responsible for loss or damage once the request has shipped?
-

The following are some of the most frequently used variations of FOB terms:

FOB Buyer’s Plant (FOB Destination): (Merchant prepays the freight, *this is the preferred method*)

The legal title passes from the merchant to the buyer when the carrier delivers the material to the buyer’s plant. The merchant retains ownership during transit, has the right to select the carrier and has the responsibility to pay the freight. Under this term the merchant is accountable for loss or damage while the purchase is being transported. The merchant is also responsible for filing any possible freight claims with the carrier.

FOB Merchant’s Plant (FOB Shipping Point): Merchant ships collect - Buyer takes legal responsibility at Merchant’s door and Buyer pays freight charges

The legal title passes from the merchant to the buyer when the carrier picks up the freight from the merchant. The buyer retains ownership during transit, assumes the responsibility for payment of the freight and has the right to select the carrier. Under this term the buyer is accountable for loss or damages or filing any possible freight claims.

**FOB Merchant's Plant, Freight Allowed (FOB Shipping Point - Freight Allowed)
Merchant pays the freight charges and Buyer takes legal responsibility at
Merchant's Door**

The legal title passes from the merchant to the buyer when the carrier picks up the freight, but the merchant agrees to pay for the freight charges. Under this term the buyer is accountable for loss or damages or filing any possible freight claims.

Remember, merchants are not to charge a special "handling charge" for processing Visa purchases. This is a direct violation under the contract they have signed with Visa and is considered an unallowable cost under our contract with the University. You cannot place a request with such a merchant under these circumstances.

DELIVERY POINTS

When placing your procurement card purchase it is very important to give the merchant the correct and complete shipping address. Incomplete shipping addresses can cause delays in material reaching your requesters and also causes additional work for Central Receiving personnel who must determine the correct internal Lab address to forward the package to.

Division Cardholder may instruct the supplier to ship uninsured and to clearly label the package on the outside with the following information:

It is the Division Cardholder's responsibility to instruct the merchant to label packages properly. Packages must be identified with the following information clearly visible on the outside of the box to ensure proper delivery. For all UPS, FED-X, air freighted and any other shippers use the following ship to address:

Lawrence Berkeley National Laboratory
One Cyclotron Rd. (PCard order number)
Building 69 Central Receiving
Berkeley, CA 94720

Division Cardholders shall instruct the supplier not to label packages with any additional information other than that listed above. Failure to properly label a package may result in delivery delay.

Procurement card and traditional purchase order deliveries have first priority and are worked first by Central Receiving. It's very important to have the merchant list the PCard order number so Central Receiving can receive the material in the PCard database and hand off the material to our Transportation group for delivery to the requester. Also have the merchant list your PCard order number on the shipping label and the packing slip.

Note: All material must be delivered to Building 69 Central Receiving or JGI Receiving.

Material returns should be directed to the LBNL Shipping Department along with the required Lab shipping documentation.

Division Cardholders are not to have material shipped to personal residences.

U.S. MAIL

Small packages may also be received via U.S. mail. Packages sent through the mail will be directed to Central Receiving for delivery.

PICKING UP MATERIAL

Occasionally a Division Cardholder or requester will want to pick up material at the merchant's place of business. If the Division Cardholder has someone pick up the material the person should never sign as the cardholder on any bank card paperwork. Acknowledgment of pick up/receipt of material should be done on the packing slip which should also be provided and forwarded to the Division Cardholder.

RETURNS / POINT AND SHIP WAYBILL / SHIPPING DOCUMENTS / INCORRECT MATERIAL / DAMAGES ERROR, OVER-SHIPMENTS AND DAMAGES

Items purchased in error, over-shipments and damages must have a Point & Ship label or shipping document for return to the merchant.. Call the merchant promptly to resolve returns, incorrect purchases and damages. Usually the responsible party will pay for the return shipment. If the merchant is to pay, they may request you to ship the item collect or request that you pay, and then credit your account. **All material that leaves the Laboratory must have a Point & Ship waybill or shipping document included with the material.**

After filling out the Point & Ship waybill or shipping document take or send the material to Shipping (Bldg. 69, X5084) for proper packaging and shipment or call Transportation (X5404) for pickup and delivery to Shipping. Copies of the shipping document(s) must be maintained with the Cardholder's PCard request.

For damages, save the original packaging and call the merchant. They may choose to just replace the item, or Berkeley Lab may have to file a shipping claim. If you must file a claim, please call the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator for assistance.

RETURNS AND THE POINT AND SHIP WAYBILL OR SHIPPING DOCUMENT

If a Division Cardholder needs to have an item repaired or needs to return an item to the merchant for any reason, the Division Cardholder must complete a Point & Ship waybill or shipping document. Copies of the point and shipway waybill or shipping document must be maintained with Division Cardholder records. When returning material many merchants assign a "Return Material Authorization" (RMA) or "Return Authorization" (RA) number to the return and will ask you to reference it on the point and ship waybill or shipping documents. If the material is ever lost in shipping or by the merchant, the point and ship waybill or shipping document is evidence of receipt of material by the carrier or merchant.

RESTOCKING CHARGES

Restocking charges are allowable if LBNL requires the return of an item that is in conformance with the request but LBNL's requirement has changed, or it is otherwise necessary to return the item(s) to the supplier and only if the restocking charges are reasonable in price.

REPLACEMENT, EXCHANGE, TRADE-IN AND UPGRADE OF CONTROLLED OR SENSITIVE PROPERTY

Division Cardholders shall not initiate a PCard request to exchange, trade-in or upgrade previously acquired property.

BILLING/PAYMENT/CYCLE

The Laboratory's Accounts Payable pays the bank by summary daily. US Bank completes their record-keeping cycle on the 17th of each month. Division Cardholder's cycle limits are reset to zero on the 18th of the month.

MERCHANT REQUESTS FOR A WRITTEN PURCHASE ORDER

If a merchant requires a written purchase order (not a fax request), the request cannot be placed as a procurement card request. The requester must submit a requisition to Procurement and an order must be placed under the standard subcontract (PeopleSoft). If you have questions, call the Fabrication and One-Time Purchase Manager.

TRANSACTION AUTHORIZATION

The Division Cardholder should request that the merchant process the bank authorization as soon as possible. **Merchants must not process the purchase transaction until the material has been shipped.**

Note: If the merchant insists on processing the authorization and purchase transactions together, both transactions must not occur until the material is shipped.

DUPLICATE TRANSACTION RECORD REQUEST

To obtain a copy of the Bank's transaction record, contact the Procurement Card Coordinator.

PROBLEMS, CREDITS, AND DISPUTED ITEMS:

PROBLEMS

If a Division Cardholder has a problem with a purchased item or billing, the Division Cardholder is responsible for resolving the issue directly with the merchant. If the Division Cardholder is unable to resolve the issue, the Division Cardholder should follow the instructions outlined below in the Disputes section. If a Division Cardholder discovers that the merchant has billed them twice for material, they must immediately contact the merchant and work on the problem and request a credit. Notify the Procurement Card Coordinator of problems with specific merchants.

CREDITS

The merchant should issue a credit with the Bank for material that has been returned. The credit should appear on your report as a negative amount. The credit amount is then reconciled to the appropriate request. If a credit has not appeared within a 2-3 week time period, re-notify the merchant. If the Division Cardholder cannot get the merchant to issue a credit they should follow the instructions outlined below in the Disputes section. This must be done within sixty (60) days of the billing date.

The Division Cardholder should request the merchant to send the credit documentation to their attention. This documentation must be placed in the PCard request file.

DISPUTES

If a transaction cannot be resolved, the Division Cardholder must notify the Procurement Card Coordinator or Fabrication or One-Time Purchase Manager to file a dispute within 60 days of the bank transaction (charge) hitting the card. The Procurement Card Coordinator will file a dispute with the bank and give the Division Cardholder the claim number for the transaction in question. Division Cardholder must enter the claim number on their request paperwork. The Bank will intercede with the merchant on behalf of the Division Cardholder. The Bank will credit the Division Cardholder account for the amount of the transaction while the matter is being investigated. When the dispute has been resolved, the bank will send written notification to the Division Cardholder regarding the outcome. At that time the credit becomes permanent or if they find in favor of the merchant, the credit will be taken off the card. **All paperwork related to the dispute must be kept with Division Cardholder records.**

MERCHANT INVOICES

If you are having problems with a merchant, the copy of the invoice may be helpful. Paperwork should never be sent to Accounts Payable, it should be sent to the bill to address tied to your Procurement Card. The bill to address is:

Lawrence Berkeley Labs
Attn Eileen Nasto
1 Cyclotron Rd, Bldg 971-PROC
Berkeley, CA 94720-8072

For security purposes never have a merchant include your credit card number on any package, and encourage them **NOT** to put your Visa account number and expiration date on the packing slip. *Please note* it is the dollar amount that has actually been charged to your card that's important, not the invoice, which can sometimes list a different amount.

BILLING PROBLEMS

The Division Cardholder calls the merchant if they have questions or problems related to information on their Statement (Visa bill). **It is the Division Cardholder's responsibility to resolve all billing problems with the merchant.** The merchant may give you a credit on your next month's statement as the resolution. Always note who authorized the credit and the date, as you would with any other approvals. It is the Division Cardholder's responsibility to verify that the credit has been made against their PCard. If the problem cannot be worked out with the merchant, file a dispute and follow directions under DISPUTE SECTION. You have sixty (60) days from the time the charge hits your card to file a dispute with the bank. If you wait beyond that time the bank will not investigate the dispute. Remember to try to work out the problem first with the merchant.

PRE-PAYMENT IS NOT ALLOWED

If the merchant insists on processing the purchase transaction before the material has shipped, DO NOT place a procurement card purchase with them. Under the Laboratory's contract with DOE pre-payment for material is not allowed.

CANCELING AN ITEM

Canceling an item should only require a call to the merchant and perhaps a RMA to return the item if the item has been received. Note the name of who authorized the cancellation in the PCard request.

CANCELLATION FEES

Division Cardholders shall not authorize cancellation fees without prior written approval from the Fabrication and One-Time Purchase Manager.

DISCREPANCIES AND RECONCILIATIONS OF PCARD REQUESTS

1. Division Cardholders must resolve any discrepancy with the supplier regarding materials received and materials invoiced. Any discrepancies between the bank transaction and the Division Cardholders own records must be resolved by the Division Cardholder directly with the supplier. All credits must be reconciled against the original request.
2. Division Cardholders must ensure that the request total and sum total of all bank charges match within plus or minus \$5.00 for material only when an request has been determined to be fully received, fully billed and is considered complete.

RECORD KEEPING

The Division Cardholder is required to maintain the following:

- 1) **PCard Order** – (printed after order is entered into PCard software)
- 2) **Order Confirmation** for order placed on the phone
- 3) **Invoices from Internet Orders** All invoices from Internet Orders should be printed and filed with your PCard request. If you receive an invoice with sales tax from the vendor or the Procurement Card Coordinator you must file with the PCard request.
- 4) **Screen shots/confirmation on items ordered on the internet, Shipping Documents, Point and Ship Waybill, Credits and any other documentation** must be attached and kept with the PCard request for auditing purposes.
- 5) **Memo(s)/eMail(s)** any memo(s) or eMail(s) pertaining to the PCard request must be filed with the PCard request.
- 6) **Point & Ship Documents or Shipping Document** a copy of the point and ship waybill or shipping document must be filed with the PCard request.
- 7) **Rebate(s)** all paperwork for rebates must be filed with the PCard request.
- 8) **Sales Tax** all paperwork (level II, invoice/screen shots) pertaining to the PCard request must be filed with the PCard request.
- 9) **Dispute(s)** all paperwork pertaining to the dispute must be filed in the PCard request.
- 10) **Records** are to be maintained by the Division Cardholder in an auditable format and accessible for a period of at least **six (6) years from the final payment date**. They may be destroyed after this time. If a Division Cardholder has a sufficient amount of completed PCard paperwork, it can be archived. Contact Procurement Card Coordinator prior to archiving any PCard paperwork. (Check Archives and Record's web-site, http://www-library.lbl.gov/aro/Rec_Transfer.html or call X5525 for instructions on archiving.)

REVIEWING DIVISION CARDHOLDER TRANSACTION SUMMARY POSTED REPORTS:

The procedure for reconciling Visa transactions to requests is listed under the PCard Instructions section. After the General Ledger has run for the particular month, the Division Cardholder must run the "Transaction Summary Posted Report" (as per Procurement Card Production Schedule). The Procurement Card Production Schedule lists the earliest date each month that a Division Cardholder can run their transaction summary posted report. The report lists the transactions of the Division Cardholder that have posted to the General Ledger for that particular cycle. The Division Cardholder must review the transaction summary posted report for accuracy and certify report as per schedule on a monthly basis and forward the report to their Division Approver, who has been directed to review their PCard purchases on a monthly basis.

DIVISION APPROVAL ON THE TRANSACTION SUMMARY POSTED REPORT

The Division Approver must approve and certify on a monthly basis. Division Cardholders cannot act as the monthly approver of their procurement card reports. The review and certification by the Division Cardholder's Division Approver is very important, it is part of the on-going audit process of the procurement card program.

FABRICATION AND ONE-TIME PURCHASE MANAGER OR DPU TEAM LEADER RANDOM MONTHLY REVIEW OF PCARD ORDERS

A random review will be conducted on a monthly basis using PeopleSoft to select 63 PCard orders for the Fabrication and One-Time Purchase Manager or DPU Team Leader to review.

Orders that have been requested for review must be delivered within two (2) days of request. The order must be delivered in the following format:

- PCard Transaction Summary Report
- PCard Order – most current to show activity
- PCard Order – the original printed after order was placed
- PCard Order Request
- Any paperwork related to the PCard order (invoice, eMail(s), quotes, etc.)

If file(s) are not received in the following order, file(s) will be rejected and listed as non-compliant and returned to division cardholder to correct.

Fabrication and One-Time Purchase Manager or DPU Team Leader will review the PCard orders and turn over all findings to the Procurement Card Coordinator to log and follow through with corrective action.

Procurement Card Coordinator will produce a report on a monthly and quarterly basis for the Policy and Assurance Manager.

AUDITS/COMPLIANCE REVIEWS/CARDHOLDER VIOLATIONS/CONSEQUENCE POLICY

To ensure that the Procurement Card Program remains compliant with the University and Laboratory's procurement policies and procedures, periodic compliance reviews of Division Cardholder transactions will be conducted by Procurement.

Investigations of Suspected Violations

Suspected violations of the Procurement Card (PCard) Division Cardholder Policy and Guidelines will be investigated by the Procurement Department, Human Resources, or as the Laboratory otherwise deems appropriate. Based on the seriousness of the alleged violation(s), a Division Cardholder's privileges may be suspended during the investigation and the Division Cardholder may be placed on investigatory leave as provided in the RPM or the relevant labor agreement.

Division Cardholders Guideline for Use by Procurement when Cardholder or Approver Violates Policy

The actions listed below are meant to serve as a guide for Procurement's use in determining what to do when a Division Cardholder or Approver fails to comply with policy. The majority of policy violations of a more serious nature may result in consequence of a more extreme nature including permanent revocation of the Division Cardholder's privilege's and/or corrective action including dismissal, as provided in the RPM. In very extreme cases, legal action may be warranted.

	Violation	Consequence Division Cardholder	Consequence Division Approver
1	<p>Lack of cardholder/approver's review and certification of the Transaction Summary Posted Report (TSPR) within 2 weeks after transactions have posted to the General Ledger</p> <p>Note: It will not be considered a violation when a Cardholder is on vacation, out sick or on travel. The Approver is to enter this information in the Comments section.</p>	<p><u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete.</p> <p><u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.</p>	<p><u>1st occurrence</u> - The cardholder's PCard will be suspended until the Approver (or backup) certifies the report.</p> <p><u>2nd occurrence</u> - Fabrication & One Time Purchase Manager will contact the division business manager and ask to have a different approver assigned.</p>
2	Approver certifies the transactions on the TSPR are appropriate for the Lab and later it is determined that was not true.	An investigation will be done and depending on the outcome, the PCard may be permanently revoked. (Additional consequences may apply)	<p><u>1st occurrence</u> - The Approver will receive a warning.</p> <p><u>2nd occurrence</u> - Fabrication & One Time Purchase Manager will contact the division business manager and ask to have a different approver assigned.</p>
3	Use of card for non-Lab business	<p><u>1st occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be permanently revoked.</p>	None
4	Letting someone other than the named cardholder charge against the card	<u>1st occurrence</u> - The cardholder's PCard will be permanently revoked.	None
5	Ethical Violations – Refer to UC Standards of Ethical Conduct	An investigation will be done and depending on the outcome, the PCard may be permanently revoked. (Additional consequences may apply)	N/A
6	Purchase of an item on the Restricted Item List	<p><u>1st occurrence</u> - The cardholder is warned of the violation. The cardholder will also be required to review the restricted item list. The Cardholder's supervisor, approver and division business manager will be copied.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete.</p> <p><u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.</p>	None
7	Purchase of a Controlled or Sensitive Item (taggable property)	<p><u>1st occurrence</u> - The cardholder is warned of the violation. The cardholder will also be required to review the restricted item list. The Cardholder's supervisor, approver and division business manager will be copied.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card</p>	None

		will be reinstated once training is complete. <u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.	
8	Failure to obtain and retain sales receipts and other backup paperwork, as appropriate	<u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied. <u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete. <u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.	None
9	Splitting requests/orders to circumvent cardholder order limits	<u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied. <u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete. <u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.	None
10	Failure to reconcile transactions to orders by the required deadline (and not have the backup cardholder do it for them)	<u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied. <u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete. <u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.	None
11	Failure to maintain cardholder paperwork for the required six (6) years (refer to #8 above)	<u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied. <u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete. <u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.	None
12	Failure to resolve discrepancies with merchants (obtaining credit, file disputes)	<u>1st occurrence</u> - The cardholder's PCard will be suspended until the discrepancy is resolved. <u>2nd occurrence</u> - The cardholder's PCard will be suspended pending further investigation. (Additional consequences will depend on the outcome of the investigation)	None

13	Failure to provide information to allow the DPU Administrator to recover sales tax	<p><u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete.</p> <p><u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.</p>	None
14	Failure to record adequate order information prior to placement	<p><u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete.</p> <p><u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.</p>	None
15	Failure to include adequate description and price of the item	<p><u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete.</p> <p><u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.</p>	None
16	Purchase of an item directly from a foreign vendor	<p><u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete.</p> <p><u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.</p>	None
17	Purchase of any on-site services	<p><u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied.</p> <p><u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is</p>	None

		complete. <u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.	
18	Purchase of an item that is part of an exchange	<u>1st occurrence</u> - The cardholder is warned of the violation. The Cardholder's supervisor, approver and division business manager will be copied. <u>2nd occurrence</u> - The cardholder's PCard will be suspended. The Cardholder's supervisor, approver and division business manager will be notified. The cardholder will be required to retake training. The card will be reinstated once training is complete. <u>3rd occurrence</u> - The cardholder's PCard will be permanently revoked.	None
19	Failure to take annual refresher training	The cardholder's PCard will be suspended until training is taken.	All cardholder's assigned to the approver will have their cards suspended until training is taken by the approver. (Note: This does not apply to the backup approver)
20	Failure to report a lost or stolen card	<u>1st occurrence</u> - The cardholder's PCard will be permanently revoked.	None

In addition, violations involving fraud, theft or other criminal activity may be referred to appropriate authorities for prosecution.

Training

All new Division Cardholders will be required to take training prior to receiving their Procurement Card.

Division Cardholders must take mandatory cardholder refresher training annually.

Division Approvers must take mandatory cardholder review training

Division Approvers must take mandatory refresher training annually.

Ramifications of Misusing/Abusing Procurement Cards

Intentional misuse or abuse of the procurement card will result in immediate revocation of procurement card privileges, and may include further disciplinary action which may include termination of employment. Division Cardholder may also be financially liable for personal use.

SHARING OF PCARD

Lending or sharing of the PCard is strictly prohibited! The only person authorized to use the PCard, and who has been given Commitment Authority to place Procurement Card Purchases, is the person to whom the card was issued. Division Cardholders who violate this policy will face disciplinary action.

LOST OR STOLEN CARDS

If the Division Cardholder's PCard is lost or stolen, or if it is believed that the account number has been compromised in a fraudulent manner, the Division Cardholder must immediately notify the Bank at the 24 hour, toll-free line 800-344-5696 **and** the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

Liability: Prior to reporting the problem to the bank, the Division Cardholder/Division is responsible for charges up to the transaction/cycle limits of the card. After the Division Cardholder reports the problem to the bank, the Division Cardholder/Division is not responsible for further charges.

Note: If transactions occur after a card is reported lost or stolen, Division Cardholder must immediately notify the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator.

TERMINATION OF EMPLOYMENT

If a Division Cardholder terminates employment, the procurement card must be returned to the Fabrication and One-Time Purchase Manager. Procurement card records should be left with the Business Manager. The records must be maintained for a period of six (6) years. It is the responsibility of the Division Cardholder to ensure that the PCard is returned (cut in half) and canceled.

Human Resource Information Systems sends eMail to Procurement Card Coordinator daily alerting them of any Division Cardholder that has terminated employment at Berkeley Lab. Procurement Card Coordinator notifies Fabrication and One-Time Purchase Manager of any findings. Fabrication and One-Time Purchase Manager or Procurement Card Coordinator cancels Procurement Card with US Bank and follows through with Business Manager to secure Procurement Card is returned.

ETHICS

- A. Division Cardholder's will maintain and practice the highest possible standards of ethical behavior, professional courtesy, and competence in dealing with both suppliers and LBNL personnel. Applicable laws must be scrupulously observed at all times. In addition, the Division Cardholder will show ethical behavior that goes beyond observance of law, because an act may be lawful and yet highly unethical. Ethical behavior carries with it the broad idea of "what should be" and demands the existence of sound moral character. Implicit in ethical behavior is the acceptance of responsibility for one's conduct.
- B. Personal contacts form much of the basis for the suppliers' opinions of LBNL. It is, therefore, the responsibility of the Division Cardholder's to maintain the good name of LBNL and to develop and maintain good relations between LBNL and its suppliers. In personal contacts with the suppliers, the Division Cardholder's should represent the interests and needs of all LBNL programs and departments.
- C. Division Cardholder's should adopt the following standards of purchasing practice as a guide to ethical practices:

1. Avoid even the appearance of inappropriate, unprofessional, or unethical behavior in relationships, actions, and communications;
2. Demonstrate loyalty to LBNL by diligently following the ethical and lawful instructions of LBNL, using reasonable care and acting only within the limits of the authority granted;
3. Refrain from any private or professional activity that would create a conflict between personal interests and the interests of LBNL;
4. Do not solicit or accept money, loans, credits, prejudicial discounts, gifts, entertainment, favors, or services from present or potential suppliers;
5. Exercise due care not to disclose LBNL proprietary or business information that would unduly benefit a supplier in its dealings with LBNL;
6. Promote positive supplier relationships through courtesy and impartiality;
7. Do not engage in practices that would restrict competition; and
8. Demonstrate that all segments of society have the opportunity to participate in LBNL procurements by supporting small businesses to the maximum practicable extent, including disadvantaged, historically underutilized business zone (HUBZone), veteran-owned, service-disabled veteran-owned, and woman-owned businesses.

All Division Cardholders are required to attend a Procurement Ethics session or participate in an eMail Ethics Briefings.

For simplicity, remember that purchases are for government use only, and no individual, whether directly or indirectly, is ever to personally benefit from your procurement card purchases. (For example, you cannot purchase items from your brother's store.) If a situation ever arises where you feel uncomfortable with what you are being asked to buy, you can always question the person, decline to purchase the item, or call the Fabrication and One-Time Purchase Manager or Procurement Card Coordinator for advice. Remember, perception is important. Gratuities and promotional items offered by merchants are to be declined. As with any offer, if it sounds too good to be true, it's a good idea to question it.